TO: (X) Two-Plan Model Plans
   ( ) Geographic Managed Care Plans
   ( ) County Organized Health System Plans
   ( ) Fee-for-Service Managed Care

SUBJECT: PERCENT OF POVERTY POPULATION

PURPOSE

The purpose of this letter is to provide the Medi-Cal Two-Plan Model managed care plans (Plan) with specific information regarding the mandatory enrollment of children in the 100, 133, and 200 percent of Federal Poverty Level aid categories (aid codes 47, 72, 7A, 8P, and 8R). The following is a schedule of the enrollment packet mailing dates, the number of packets sent, and the default dates for each group.

<table>
<thead>
<tr>
<th>Mailout Schedule</th>
<th>Cases</th>
<th>Assignment Date</th>
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</thead>
<tbody>
<tr>
<td>July</td>
<td>(actual) 34,385</td>
<td>September 1, 2000</td>
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<tr>
<td>August</td>
<td>(actual) 17,950</td>
<td>November 1, 2000</td>
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<tr>
<td>September</td>
<td>(estimated) 25,727</td>
<td>December 1, 2000</td>
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<tr>
<td>October</td>
<td>Clean-up</td>
<td>January 1, 2000</td>
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</tbody>
</table>

BACKGROUND

As indicated in MMCD Policy Letter 00-03 the schedule for the phased mailing of choice packets began with the Sacramento Geographic Managed Care, Healthy San Diego Geographic Managed Care, and a portion of the eligible beneficiaries in Two-Plan Model counties in July 2000, continuing with another portion of eligible beneficiaries in Two-Plan Model counties in August 2000, the remaining group of eligible beneficiaries in Two-Plan Model counties in September 2000, and a clean-up mailing as needed for all counties in October 2000.

FURTHER DISCUSSION

The default rate in September 2000, was 42 percent which was disappointing, given the extra steps the Department has taken to alert those families about mandatory
enrollment. In an effort to encourage choice, the August and September enrollment package mailings are later in these respective months to allow families more time to attend Health Care Options presentations and seek assistance from community based organizations. Consequently, Plans will not receive defaulted members in October.

Should you have questions or require additional information regarding the content of this policy letter, please contact your contract manager.

Susanne M. Hughes
Acting Chief
Medi-Cal Managed Care Division